

WYRE FOREST DISTRICT COUNCIL

CABINET 21ST DECEMBER, 2006

Proposed Decision: Agenda Item 7.2 - 7.3

FINANCIAL STRATEGY 2007/2010

The Cabinet having considered the Financial Strategy Reports set out in the separate volume, and recommendations of the Efficiency Policy Panel, **RECOMMENDS TO COUNCIL** :-

1. COUNCIL TAX LEVY 2007/2008

- 1.1 **RECOMMENDS** a Council Tax for Wyre Forest District Council on a Band D Property of £183.51 for 2007/2008 (£179.03 2006/2007) an increase of 2.5% (£4.48 over 2006/2007).
- 1.2 **RECOMMENDS** a provisional Council Tax on a Band D Property in 2008/2009 of £188.10 and £192.80 in 2009/2010 an increase of 2.5% per annum over 2007/2008.

2. PRIORITIES FOR 2007/2008 (page 37)

- 2.1 **RECOMMENDS** the continuation of the following Priority Themes for 2007/2008 :-
 - a) Service
 - b) Efficiency
 - c) Prosperity
- 2.2 Appendix 1 sets out the Priority Themes and New Strategic Targets for 2007/2008.
- 2.3 Heads of Service, in consultation with respective Cabinet Members, develop performance indicators and targets for each of the above Priorities.

3. THREE YEAR BUDGET AND POLICY FRAMEWORK 2007/2010 (pages 5-37)

- 3.1 The contents of the Reports of the Head of Financial Services on the Three Year Budget and Policy Framework 2007/2010 (pages 5-37) and Base Budget Variations (pages 57-61) be **ENDORSED** and in doing so approve the Revised Revenue and Capital Budget for 2006/2007.
- 3.2 **REAFFIRMS** the Council's policy relating to Working Balances, Reserves and Provisions and notes the amount of Reserves and Provisions available for use in the Budget process (pages 24-25).
- 3.3 **REAFFIRMS** the Council's updated Finance Strategy (pages 26-32).
- 3.4 **RECOMMENDS** the setting up of an earmarked Reserve in respect of the one-off costs of the Centralised Office Project. Any Final Account saving arising from 2006/2007 over and above the target allowed for in the Council's Finance Strategy be allocated to this Reserve and considered as part of 2008/2009 Budget Process in accordance with the Council Resolution.

3.5 The following General Fund Revenue Budget be **RECOMMENDED** including Cabinet Proposals and **INCOME SERVICE OPTIONS** identified in Appendices 2 and 3 :-

	Revised 2006/2007 £	2007/2008 £	2008/2009 £	2009/2010 £
Net Expenditure on Services (per Appendix 1 on Page 13 of the Financial Strategy Book)	14,460,670	14,802,290	15,129,690	15,340,310
<u>Add</u> Cabinet Proposals identified in Appendix 2	-	288,150	238,380	30,850
Net Expenditure	14,460,670	15,090,440	15,368,070	15,371,160
Contribution (from) Reserves	(980,710)	(1,018,350)	(1,062,710)	(825,840)
Net Budget Requirement	13,479,960	14,072,090	14,305,360	14,545,320
<u>Less</u> Business Rate Grant, Government Grant and Collection Fund Surplus (Page 13)	7,337,440	7,734,570	7,809,330	7,886,970
Council Tax Levy	<u>£6,142,520</u>	<u>£6,337,520</u>	<u>£6,496,030</u>	<u>£6,658,350</u>
Wyre Forest District Council Tax Level assuming 2.5% increase 2007/2008 onwards	<u>£179.03</u>	<u>£183.51</u>	<u>£188.10</u>	<u>£192.80</u>

4. **CONSULTATION STRATEGY** (pages 33-35)

4.1 **AGREES** the Consultation Strategy on the Cabinet Strategy be as follows :-

- Public Meeting - invite members of the public to attend the Cabinet on 25th January 2007 for a presentation by the Cabinet Member for Finance & Corporate Affairs and to give their views;
- Parish Councils – Invite representatives to Cabinet on the 25th January 2007 for their views;
- Media Release;
- Web Site;
- Business Ratepayer Statutory Consultation;
- Finance and Corporate Affairs Policy and Scrutiny Panel/Budget Review Group.

5. **CAPITAL PROGRAMME 2007/2008 ONWARDS** (pages 38-56)

5.1 **APPROVES** the Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule.

- 5.2 **NOTES** the availability of Capital Receipts and the ability to use Prudential Borrowing for new Capital Proposals.
- 5.3 **RECOMMENDS** Capital Proposals and associated funding as identified in the schedule of proposed Cabinet Proposals - see Appendix 2.
- 5.4 **REAFFIRMS** the Council's updated Capital Strategy.
- 5.5 **DELEGATED** authority continue to be given to the Head of Financial Services to fund the Vehicle, Equipment and System Renewal Schedule by means of Prudential Borrowing (repayments based on anticipated life of Vehicle, Equipment and Systems).
- 5.6 **NOTES** that the Council has agreed to dispose of surplus assets in order to generate new usable capital receipts for the Centralised Office Accommodation Project where this is proven to be economically viable in accordance with the Asset Management Plan. Should the Council's disposal strategy differ from the adopted Asset Management Plan, the Head of Cultural Leisure & Commercial Services will present a new Plan to Council for adoption prior to consideration by the Government Office for the West Midlands.
- 5.7 **NOTES** that the Council will dispose of the Coventry Street Offices as part of the Centralised Office Accommodation Project and as a consequence the necessary amendments have been reflected in the Base Capital Programme, including the provision for a dilapidation payment on the termination of the lease on Vicar Street Offices. Vicar Street Offices will be left vacant until the expiry of the lease in March 2010.
6. **BASE BUDGET VARIATIONS** (pages 57-61)
- 6.1 **NOTE** the Budget Variations identified between Original and Revised Budgets 2006/2007 and between the Revised Budget 2006/2007 and the Original Budget for 2007/2008.
- 6.2 **HEADS OF SERVICE** continue to monitor closely their Budgets and the Head of Financial Services continue to report to the Cabinet on a quarterly basis.
7. **COUNCIL TAX BASE** (pages 62-65)
- 7.1 **APPROVES** a Council Tax base for Wyre Forest District of 34535 as detailed in the report on Calculation of Council Tax Base 2007/2008.
8. **EFFICIENCY TARGETS - CASHABLE AND NON-CASHABLE** (pages 66-69)
- 8.1 **RECOMMEND** the identified estimated Annual Efficiency Savings contained within the Head of Financial Services report and **NOTE** these savings have been incorporated into the Budget 2007/2010.
- 8.2 **NOTE** that the Chief Executive is to investigate and quantify potential savings to fund proposals contained within the Corporate Management Team Review, with such savings to be built into the 2008/2009 Revenue Budget.
9. **RISK MANAGEMENT AND THE BUDGET PROCESS** (pages 70-76)

- 9.1 **ENDORSE** the Budget Risk Management process identified in the Risk Management and Budget Report and **NOTE AND ENDORSE** the Budgetary Response to identified risks as detailed on the Budget Risk Matrix Appendix 1 of the Report.
- 9.2 **MONITOR** ongoing Budget Risk quarterly as part of the Budget Monitoring process.
10. **CABINET PROPOSALS/POLICY PANEL RECOMMENDATIONS** (page 9 of Financial Strategy Book/Cabinet Agenda 11.2 and 11.3)
- 10.1 **RECOMMENDS** Cabinet Proposals and Policy Panel recommendations and associated funding as identified in Appendix 2.
11. **INCOME SERVICE OPTIONS** (pages 77-108)
- 11.1 **RECOMMENDS** Income Service Options and associated fees and charges as identified in Appendix 3, and detailed in the Financial Strategy Book.
12. **FINANCIAL REGULATIONS**
- 12.1 **RECOMMEND** the updated Financial Regulations considered by the Cabinet on 21st December 2006, Agenda Item 7.3
- 12.2 **REAFFIRMS** the delegated authority to the Head of Financial Services to write off all debts in respect of Business Rates where instructed by the Insolvency Practitioner or Official Receiver and **EXTEND** this delegation to Council Tax.
13. **MEMBERS ALLOWANCES**
- 13.1 **RECOMMEND** a Special Responsibility Allowance for the Vice Chairman of the Audit Committee to be paid in accordance with Band 8 of the Council's agreed scheme, to commence retrospectively from Annual Council 2006.
14. **CONSULTATION AND SCRUTINY**
- 14.1 **AGREE** that proposals contained in paragraphs 1 to 13 be subject to Consultation as agreed in paragraph 4 above and scrutiny by the Efficiency Policy Panel/Budget Review Group.
- 14.2 **AGREE** that further consideration of the Budget Strategy proposals will be made at the Cabinet on 15th February 2007 following feedback from the Consultation and Scrutiny exercise.